

FTC

Current and Projected Rulemakings

Practices, Bureau of Consumer Protection,
Washington, DC 20580, 202 523-3860

N: 3084-AA11

STANDARDS AND CERTIFICATION

Priority: Undetermined

Legal Authority: 15 USC 45 Federal Trade Commission Act; 15 USC 46(g) Federal Trade Commission Act

CFR Citation: 15 CFR 457, (New)

Abstract: Standards for products ranging from nuts and bolts to computers are set by trade associations, professional societies, testing laboratories, and other private sector groups. They are relied on by consumers, building code officials, government agencies, and others for regulatory and procurement purposes. These standards can provide significant benefits, such as lowering the cost of communications between buyers and sellers; improving the transfer of technology; encouraging efficiencies in design, production, and inventory; and assuring the safety, fitness, energy efficiency, or other aspects of product performance. However, substantial injury to competition and consumers can occur if standards or certification actions block the use of superior or lower cost technology, inflate product prices, or deceive consumers about the quality or safety of a product. In the proceeding, the Commission is examining whether a rule, guide, or other enforcement action is needed to address these competitive and consumer injuries. The Commission is particularly interested in the impact on injurious practices of other events, such as promulgation of OMB Circular A-119 (cont)

Timetable:

Action	Date	FR Cite
NPRM	12/07/78	43 FR 57269
Staff Report	06/00/83	

Small Entity: Undetermined

Additional Information: ABSTRACT CONT: and recent court actions. An alternative to a rule is a case-by-case approach to any standards-related problems. The rule might have a significant economic effect - both positive and negative - on small businesses. Many complaints about injurious standards and certification actions were filed by small businesses. The rule is aimed at alleviating these injuries. On the other hand, most of the standards and certification organizations that would be subject to the rule and subject to any compliance costs are small businesses.

Agency Contact: Robert J. Schroeder, Federal Trade Commission, Division of Service In-

dustry Practices, Bureau of Consumer Protection, Washington, DC 20580, 202 523-4995

RIN: 3084-AA13

USED MOTOR VEHICLES

Priority: Undetermined

Legal Authority: 15 USC 45; 15 USC 57(a); 15 USC 2309(b)

CFR Citation: 16 CFR 455, (New)

Abstract: The rule would have required dealers to post a window form on used cars sold to consumers which disclosed, in plain language, information concerning warranty coverage offered (if any), the meaning of an "As Is" sale (in which neither express warranties nor implied warranties are offered), and other important information. The form would have also informed consumers that oral promises are difficult to enforce and would have required the dealer to disclose certain specific mechanical condition defects known to him. The rule and accompanying Statement of Basis and Purpose and Regulatory Analysis were published in the Federal Register on August 14, 1981. All of the alternatives that were considered, along with an analysis of their costs and benefits, are set forth in the Regulatory Analysis and Statement of Basis and Purpose at 46 FR 41373 to 41377. The Commission submitted the rule to Congress for review under the provisions of the FTC Improvements Act of 1980 on September 9, 1981. The rule was considered by Congress and was vetoed on May 26, 1982. The Commission has taken the rule under consideration in accordance with Section 21(c) of the FTC Improvements Act (cont)

Timetable:

Action	Date	FR Cite
NPRM	01/06/76	41 FR 1089
Senate Resolution of disapproval	05/19/82	
House Resolution of disapproval	05/26/82	
Comsn promul previous Final Rule	10/00/82	
Commission Action if appropriate	12/00/83	

Small Entity: Yes

Additional Information: ABSTRACT CONT: of 1980, 15 U.S.C. 57a-1(c) (Supp. IV 1980). Consumers Union has filed a lawsuit challenging the constitutionality of the legislative veto of this rule and is seeking a court order that the Rule become effective. Consumers Union of U.S., Inc. and Public Citizen, Inc. v. FTC et al., No. 82-1512 (D.D.C.) The Commission will consider how

best to proceed under these circumstances. Alternatives include a new rule which would require dealers to post a window sticker indicating the extent of any warranties offered with the car or whether the car is being sold "As Is." Commission action may be deferred pending the outcome of the legal challenge to the Congressional veto of the rule.

Agency Contact: Susan M. Liss, Federal Trade Commission, Division of Marketing Practices, Bureau of Consumer Protection, Washington, DC 20580, 202 523-3660

RIN: 3084-AA14

ANTACID ADVERTISING

Legal Authority: 15 USC 45 Federal Trade Commission Act; 15 USC 52 Federal Trade Commission Act; 15 USC 55 Federal Trade Commission Act; 15 USC 57(a) Federal Trade Commission Act

CFR Citation: 16 CFR 451, (New)

Abstract: The Commission did not propose a rule at the outset of this proceeding. Rather than making a specific proposal, the Commission focused the proceeding on whether, and in what form, warnings required by the Food and Drug Administration ("FDA") in the labeling of non-prescription antacids should also appear in the advertising for such products. The proceeding has explored and considered various alternatives, including no warnings, a general warning (which refers generally to the existence of risk and directs consumers to the label), various specific warnings (which specifically disclose the existence of particular risks), and various combinations of general and specific warnings. The potential benefits from adoption of any rule are threefold: first, the prevalence of contra-indicated use of antacids may be lowered; second, manufacturers may have an incentive to include additional safety information in their advertising, and third, manufacturers may also have an incentive to produce safer antacids. The potential costs from adoption of any rule are the following: first, (cont)

Timetable:

Action	Date	FR Cite
NPRM	09/31/78	43 FR 38951
Presiding Officer's Report	11/00/79	
Staff Report	06/00/83	

Small Entity: No

Additional Information: ABSTRACT CONT: the effectiveness of antacid advertising may be lowered; second, consumers may mistakenly conclude from the warning information that all antacids are unsafe, and

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third, any required advertising disclosure may impose direct dollar costs. Alternatives to a rulemaking might include cases under Section 5 and consumer education. Although no specific rule has yet been proposed, it is not expected that any rule will have a significant economic impact on a substantial number of small entities. With the exception of small retailers who advertise price and availability in newspapers and magazines, virtually all of the antacid advertisers are large entities. Moreover, the impact on small retailers will essentially be eliminated by a provision exempting print advertising that states only the product's name and price.

Agency Contact: Wallace S. Snyder, Associate Director, Federal Trade Commission, Division of Advertising Practices, Bureau of Consumer Protection, Washington, D.C. 20580, 202 724-1511

RIN: 3084-AA00

AMENDMENT TO CARE LABELING OF TEXTILE WEARING APPAREL RULE

Legal Authority: 15 USC 45 Federal Trade Commission Act; 15 USC 57(a) Federal Trade Commission Act

CFR Citation: 16 CFR 423

Abstract: The rule and its amendment seek to inform consumers of proper care procedures to safeguard the utility and appearance of purchased textile products. The information thus made available may permit a more informed choice among competing products. The amendments that were proposed would have extended the rule to cover all textile products including carpets and rugs, upholstered furniture, yarns and linens. The amendments would also require a more complete statement of the care procedures, the use of standardized care terminology, and the establishment of a basis for the accuracy of each care procedure prescribed in a label. On June 24, 1982, the Commission approved, with certain modifications, those amendments which would clarify the rule's existing requirements but rejected amendments which would have extended the rule to additional products. Pursuant to the Commission's decisions, the staff is preparing a revised statement of basis and purpose and rule amendments for promulgation by the Commission. The amendment approved by the Commission merely clarifies existing obligations. They will therefore impose little or no incremental cost on industry (cont)

Timetable:

Action	Date	FR Cite
NPRM	01/26/76	41 FR 374
Request for technical comments	01/05/81	46 FR 934
Final Commission decision	06/24/82	
Rule and Stmt. of Basis & Purpose	06/00/83	

Small Entity: No

Additional Information: ABSTRACT CONT: members. With clarification of the rule's requirements, manufacturers should be able to minimize inadvertent violations and to avoid unnecessary compliance costs. As approved by the Commission the amendments will not have a significant economic impact on a substantial number of small businesses.

Agency Contact: Earl Johnson, Federal Trade Commission, Division of Enforcement, Bureau of Consumer Protection, Washington, DC 20580, 202 376-2891

RIN: 3084-AA01

EYEGLASSES II

Legal Authority: 15 USC 45 Federal Trade Commission Act; 15 USC 57(a) Federal Trade Commission Act

CFR Citation: 16 CFR 456, (Revision)

Abstract: The staff of the FTC's Bureau of Consumer Protection has identified several state and private restrictions on the delivery of eye care goods and services which may decrease consumer access to vision care services, increase the cost of those services, and impede the growth of alternative methods of organizing eye-care practices. The principal question the Commission is exploring is the impact of such restrictions on the price, quality and availability of vision care. The Commission's investigation has sought, through the development of empirical market research, to determine whether higher prices result from these restrictions and, if so, whether offsetting consumer benefits also result. The primary impact of a rule on small businesses could stem from the increased competition in the vision care industry which can be anticipated as a result of deregulatory effect of the rule. Rule provisions removing certain restrictions on commercial ophthalmic practice could enhance competition by permitting small entities (i.e., optometrists and opticians) to engage in alternate modes of practice; or to expand, should they desire to do so. The affirmative requirements of a rule could (cont)

Timetable:

Action	Date	FR Cite
ANPRM	12/01/80	45 FR 79423
ANPRM Comment Period Begin	12/01/80	
ANPRM Comment Period End	02/02/81	
Commission consideration of appropriate action	06/00/83	

Small Entity: Undetermined

Additional Information: ABSTRACT CONT: impose additional record-keeping, postage, and photocopying costs. The alternatives to an FTC trade regulation rule include: a formal complaint against a professional association or an ophthalmic board alleged to have engaged in illegal acts or practices; a voluntary guide defining unfair acts or practices; legislative recommendations to Congress or to the States; or the release of a public report setting forth the findings of the staff.

Government Levels Affected: Local, State

Agency Contact: Gary Hailey, Federal Trade Commission, Division of Service Industry Practices, Bureau of Consumer Protection, Washington, DC 20580, 202 323-3452

RIN: 3084-AA03

HEALTH SPAS

Legal Authority: 15 USC 45 Federal Trade Commission Act; 15 USC 57(a) Federal Trade Commission Act

CFR Citation: 16 CFR 443, (New)

Abstract: The proposed rule would require that health spa membership contracts include provisions which would grant consumers the right to cancel and receive a full refund without penalty during a three-day cooling-off period. If a seller's facilities are not yet fully operational, the proposed rule would provide that the consumer right of cancellation may be exercised within ten days after receipt of notice that the spa facilities are fully operational and available. Following the expiration of the cooling-off period, the proposed rule would require that the health spa contract afford the consumer an additional right to cancel at any time prior to the contract's expiration. In this instance, the seller would be allowed to retain a cancellation fee not in excess of 5 percent plus a pro rata portion of the contract price; the balance of the contract price would have to be refunded to the consumer. Other provisions of the proposed rule would prescribe the manner and form of giving the consumer notice of his cancellation right, prohibit the use of long-